

AUTORIDERS FINANCE LIMITED



ANNUAL REPORT

2002 - 2003

**AUTORIDERS FINANCE LIMITED****AUTORIDERS FINANCE LIMITED****BOARD OF DIRECTORS**

Bhupesh Patel	–	Managing Director
B. S. Pandit	–	Nominee Director - UTI
Abhay Shah	–	Director
Gaurang Tripathi	–	Director
Bhupendrabhai Patel	–	Director

COMPANY SECRETARY**Uma Gokhale****AUDITORS****M/s. Utpal Bhayani & Co.**

Chartered Accountants

BANKERS

Union Bank of India

Bank of Baroda

Vijaya Bank

The Federal Bank Ltd.

The South Indian Bank Ltd.

The Catholic Syrian Bank Ltd.

REGISTERED OFFICE4A, Vikas Centre, 104, S. V. Road,
Santacruz (W), Mumbai - 400 054.**REGISTRAR & TRANSFER AGENTS****Sharepro Services**Satam Estate, 3rd Floor, Above Bank of Baroda,
Cardinal Gracious Road, Chakala, Andheri (E),
Mumbai - 400 099.**EIGHTEENTH ANNUAL GENERAL MEETING**

Day, Date : Monday the 29th September, 2003
 Venue : 4A, Vikas Centre, 104, S.V. Road, Santacruz (W), Mumbai - 400 054.
 Time : 2.00 P.M.

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of Members of AUTORIDERS FINANCE LIMITED will be held on Monday, the 29th September, 2003 at 2.00 P.M. at the Registered Office of the Company at 4A, Vikas Centre, 104, S. V. Road, Santacruz (West), Mumbai - 400 054, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003, and the profit and Loss Account for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Abhay C. Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Gaurang Tripathi, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of section 198,269,309 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof, for the time being, in force, read with the provisions of Schedule XIII to the said Act, and its amendment and further subject to such other approvals as may be necessary, the Company hereby approves the appointment of Mr. Bhupesh R. Patel who is already a Director of the Company as a Managing Director of the Company for a period of 5 years, with effect from 19th September, 2002, upon the terms and conditions, including remuneration, as set out in the Explanatory Statement, submitted to the Meeting, which is hereby specifically approved and sanctioned with full liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment, so as not to exceed the limits specified in Schedule XIII to the said Act or any amendments thereto, as may be mutually agreed to and between the Board of Directors and Mr. Bhupesh Patel, the Appointee in the best interest of the Company".

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps and do all other acts, deeds and things, as may be necessary or desirable to give effect to this resolution".

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT in modification of the Special Resolution passed by the Annual General Meeting of the Company held on 18th September, 2002 and subject to the provisions of Section 61 of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permission and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to delist the Company's Ordinary Shares from Delhi and Ahmedabad Stock Exchanges excluding The Stock Exchange, Mumbai and The National Stock Exchange of India Ltd., at Mumbai i.e. delisting from The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Ltd."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all necessary steps in this regard in order to comply with the legal and/or procedural formalities, including authorising any Committee of Directors or any of the Directors/Officers/Executives of the Company to do all such acts, deeds or things to give effect to the above Resolution".

By order of the Board
For AUTORIDERS FINANCE LTD.

Place : Mumbai
Dated : 28th May, 2003

BHUPESH PATEL
Managing Director

Registered Office :
4A, Vikas Centre, 104, S. V. Road,
Santacruz (West), Mumbai 400 054.



AUTORIDERS FINANCE LIMITED

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER, PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY - EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members are requested to notify change of address, if any.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 16th September, 2003 to Monday, the 29th September, 2003 (both days inclusive).
4. Members desiring any relevant information on the accounts at the Annual General Meeting are requested to write to the Company Secretary at least 7 days before the date of the Meeting so as to enable the management to keep the information ready.
5. Consequent upon the introduction of Section 205-C by the Companies (Amendment) Act, 1999, the amount of unclaimed/unpaid, dividends, share application money, Fixed Deposits and interest on Fixed Deposits, remaining unclaimed with the Company for the period of 7 years have been transferred to the Investor Education & Protection Fund (IEPF) and no claim thereto will be entertained by the said Fund and also by the Company.

Members who have not encashed the dividend warrant/s pertaining to dividend for the financial years 1995-96, 1996-97 are requested to forward the same to the Company's Registrar & Transfer Agents, M/s. Sharepro Services, or to the Company immediately to facilitate payment. The due date for transfer of unclaimed dividend for the financial year 1995-96 is 26th September, 2003, after which no claim in respect of 1995-96 dividend will be entertained by the Company or by the Fund.

6. Members who hold Shares in Dematerialised Form are requested to bring their Client ID and DPID Numbers for easy identification of attendance at the Meeting.
7. Members who have multiple folios in identical names or joint names in the same order are requested to send all the share certificates to the Registrar & Transfer Agents M/s. Sharepro Services, Satam Industrial Estates, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099 for consolidation of all such folios into one to facilitate better services.

EXPLANATORY STATEMENTS AS REQUIRED PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 5

Mr. Bhupesh R. Patel is a Director of the Company since 2nd April, 1988. Mr. Bhupesh Patel is 45 years of age and having vast business experience and knowledge in Automobile Industry. His vast knowledge and experience will benefit the Company in its critical period. During his tenure, he had taken all efforts for the progress of the Company and contributed to the best of his abilities.

Untimely death of Mr. Mukesh Patel Promotor and former Managing Director on 15th June, 2002 was a great shock emotionally to the Company as a family. It took some time for the Company to come out of this situation. Thereafter, the Board in its Meeting held on 25th October, 2002 appointed Mr. Bhupesh R. Patel as Managing Director of the Company for 5 years with effect from 19th September, 2002 on the following terms and conditions in place of former Managing Director Mr. Mukesh R. Patel (Expired). Mr. Mukesh Patel had not accepted any remuneration, due to difficult financial position of the Company. Similarly, Mr. Bhupesh Patel, Managing Director will not accept any remuneration from the company.

1. **Salary :** The Appointee shall not, for the time being, be paid a salary, including allowances of any nature and description at his instance. However, he has a right to a salary, as and when thought fit and proper of such amount as may mutually be decided between the Appointee and the Company and well within the limits prescribed under the Companies Act, 1956, and the Schedule XIII thereto and its Amendments.
2. **Perquisites :** Perquisites shall be restricted to such amount that in the case where, in any financial year, during the currency of tenure of the Appointee, the Company has no profits or its net profits are inadequate, within the meaning of the provisions of Section 198 read with Sections 349, 350 and 351 of the Companies Act, 1956, the aggregate of salary, if any, and perquisites shall not exceed such ceiling as may be prescribed under the Section II of Part II of the Schedule XIII to the said Act and its Amendments.
 - a) **Leave Travel Concession :** The Appointee shall be eligible to leave travel concession for the appointee and his family, once in a year, in accordance with the rules of the Company.

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- b) **Car :** The Company shall provide to the Appointee a car for use on Company's business. The expenses on account of use of car for his personal purpose shall be billed to the Appointee on actual basis.
- c) **Telephone :** The Company shall provide telephone or telephones at residence(s) or at private office(s) of the Appointee. Any long distance telephone calls made by the Appointee for his personal purpose, shall be billed by the Company to the Appointee.
- d) The Appointee shall not be paid any sitting fees for the Board/Committee Meetings attended by him and shall not be liable to retirement by rotation.

The Board recommends his appointment to the shareholders.

Mr. Bhupesh R. Patel is directly concerned or interested in this resolution, Mr. Amrish R. Patel being relative is indirectly concerned or interested in this resolution. None of the other Directors is interested in this resolution.

Item No. 6

Presently, the Company's Securities are listed on the following four Stock Exchanges in India :-

1. The Stock Exchange, Mumbai
2. National Stock Exchange of India Ltd
3. The Delhi Stock Exchange Association Ltd.
4. The Stock Exchange, Ahmedabad.

Consequent upon the Resolution passed by the Members at the Annual General Meeting of the Company held on 18th September, 2002 for delisting the Company's Ordinary Shares from the Stock Exchanges mentioned at (3) and (4), the Company made applications to the said Stock Exchanges for delisting. Meanwhile, Securities and Exchange Board of India has, vide the SEBI (Delisting of Securities) Guidelines issued in February, 2003 done away with the requirement of offering an exit option to the Members situated in the regions of the Stock Exchanges from which Company's securities are proposed to be delisted. Pursuant to the said Delisting Guidelines and as a good corporate governance practice, it is now proposed to seek the approval of the Members a fresh for delisting from Delhi and Ahmedabad Stock Exchanges except the BSE and NSE, for which the resolution was passed previously by the Members.

With the wide and extensive networking of centres of BSE and NSE, the investors have access to online dealings in the Company's securities across the country. The trading volumes of the Company's Ordinary Shares on the Stock Exchanges mentioned at (3) and (4) (hereinafter referred to as "the said Stock Exchanges") are negligible or nil since the past few years as most of the trading in the Company's Securities is transacted on BSE and NSE. The listing fees paid to the said Stock Exchanges do not now offer commensurate benefits to the Company / its investors and the continued listing on the said Stock Exchanges is not considered necessary. The Board of Directors at its Meeting held on 28th May, 2003 has, therefore, decided to apply for the voluntary delisting of the Company's Ordinary Shares from Delhi and Ahmedabad Stock Exchanges excluding BSE and NSE. The proposed voluntary delisting would further contribute to the cost reduction measures taken by the Company. The proposed voluntary delisting of the Company's Ordinary Shares from the said Stock Exchanges will not adversely affect any investors including the Members located in the regions where the said Stock Exchanges are situated. Pursuant to Section 61 of the Act and the SEBI (Delisting of Securities) Guidelines, it is now proposed to seek the Member's approval by way of a Special Resolution for voluntary delisting of the Company's Ordinary Shares from the said Stock Exchanges as set out in the Resolution at Item No. 6.

The proposed delisting is in the interest of the Company and the Board commends the Resolution for acceptance by the Members. None of the Directors of the Company is concerned or interested in the Resolution at Item No. 6.

By order of the Board
For AUTORIDERS FINANCE LTD.

Place : Mumbai
Dated : 28th May, 2003

BHUPESH PATEL
Managing Director

Registered Office :
4A, Vikas Centre, 104, S. V. Road,
Santacruz (West), Mumbai 400 054.

**AUTORIDERS FINANCE LIMITED****DIRECTORS' REPORT**

To
THE SHAREHOLDERS
OF AUTORIDERS FINANCE LIMITED

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS :

	Year ended 31.03.03 (Rs. in Lacs)	Year ended 31.03.02 (Rs. in Lacs)
Loss after interest but before Depreciation & other Extra Ordinary Items	975.14	1205.03
Lease Adjustments	–	0.64
Loss on Sale of Assets	1130.00	–
Provision for Doubtful Debts	6.54	57.84
Depreciation	61.17	68.19
Loss After Tax	2172.85	1331.70
Prior Period Adjustment (Net)	(183.15)	–
Short Provisions for Interest Tax	20.78	–
Balance of Previous Year	8266.85	6935.15
Balance Carried Forward	10277.33	8266.85

OPERATION & PROSPECTS :

The Company is negotiating with Banks & Financial Institution for the one time settlement of its long term liabilities.

The management would like to consider and explore all the avenues of starting with viable business, once the dues of Banks and Financial Institution are settled.

DIVIDEND :

Your Directors regret their inability to propose any dividend in view of the accumulated losses of the Company.

DISCLOSURE UNDER THE LISTING AGREEMENT :

Cash flow statement pursuant to clause 32 of the Listing Agreement is annexed herewith as Annexure A and forming part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

1. The Companies. (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 require disclosure of particulars regarding conservation of energy in Form A and technology absorption in Form B prescribed by the Rules. Your Company not being a Manufacturing Company, it is advised that Forms A and B are not applicable.
2. There has been no foreign exchange earnings and outgo in the current year.

DIRECTORS :

Mr. Bhupesh R. Patel is appointed as Managing Director with effect from 19th September, 2002. Mr. Bhupesh R. Patel is 45 years of age. He is one of the Promoter Directors. He has a vast experience in the Automobile, Petroleum and Real Estate business. He is actively connected with the setting up of the Shirpur Gold Plant and the related infrastructure including the captive airport at Shirpur. He has been involved in the development of the Social and Educational Institutions at Shirpur and Mumbai.

Directorship in other Companies 1. Autoriders (India) Pvt. Ltd. 2. Shirpur Gold Refinery Ltd. 3. Vij Industries Pvt. Ltd. 4. Shirpur Peoples' Co-op. Bank Ltd.

Shri Amarish R. Patel, Director expressed his inability to continue as Director of the Company and tendered his resignation with effect from 27th January, 2003, which is subject to confirmation from the Banks as per the consent terms executed jointly by the Company and the Banks.

Shri Abhay Shah is 47 years, Chartered Accountant. His vast experience and knowledge will be an asset to the Company in the critical condition of the Company. Your Board of Directors recommend to the members his reappointment as Director of the Company.

Directorship in other Companies - Astral Tradespare Private Limited and also a partner in A. C. Shah Associates and Shah & Nair Associates.

Mr. Gaurang A. Tripathi is 38 years old a Commerce Graduate with post Graduation in Management and his vast knowledge and experience will be an asset to the Company in this critical period. Your Board of Directors is sure that the Company will benefit because of his experience and recommend to the Members his re-appointment as Director of the Company.

Mr. Gaurang Tripathi is not a Director in any other Company.

AUDIT COMMITTEE :

The present Audit Committee members are 1. Mr. Abhay Shah, 2. Mr. Gaurang Tripathi and 3. Mr. Bhupendrabhai Patel - Non Executive Directors, all are independent Directors. Mr. Abhay Shah, Chartered Accountant is the Chairman of the Audit Committee. The committee met four times during the year 2002-2003 on 29th April 2002, 25th June 2002, 31st July 2002 and 24th January 2003.

AUDITORS :

M/s. Utpal Bhayani & Co., Chartered Accountants hold office until conclusion of ensuing Annual General Meeting. It is proposed to reappoint M/s. Utpal Bhayani & Co., Chartered Accountants as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting. The certificate as required under Section 224(1B) of the Companies Act, 1956 regarding their eligibility for reappointment has been received from them. The Board of Directors recommends their re-appointment as Statutory Auditors.

FIXED DEPOSITS :

Your Company has not accepted any Fixed Deposit from public during the year under review.

CORPORATE GOVERNANCE :

Separate Section on Corporate Governance is included in the Annual Report and the Certificate from Company's Auditors Confirming the Compliance of Conditions on Corporate Governance as stipulated in the said Clause 49 of the Listing Agreement is annexed thereto.

TAXATION :

The income tax assessment of the Company has been made up to the financial year 2000-2001.

PARTICULARS OF EMPLOYEES :

There are no employees covered by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.